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News Service Founders Contest Title in \$100,000 Lawsuit

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The once-obscure name of Dispatch News Service has become the focus of an unhappy squabble among the young men whose success in making and selling Vietnam news had given the agency's name meaning.

The dispute has culminated in a suit filed in U.S. District Court here, in which one group of Dispatch's founders are seeking to stop another group from using very nearly the same name. All were once fast friends.

What has made the difference are two stories: Seymour Hersh's Pulitzer Prize-winning disclosure of the My Lai massacre and Michael Morrow's graphic account of 39 days he spent as a Communist captive in Cambodia.

Hersh's stories were distributed throughout the world by David Obst, the energetic 25-year-old who bore the title news promotion and public relations director in the original Dispatch News Service.

At the height of the furor raised by the My Lai disclosures, Obst and Morrow sat amiably together in a Washington coffee shop and told a reporter about Dispatch's lean early days a year before.

But seven months later, Morrow's stories on his Cambodia captivity were sold by Dispatch News Service International, a separate outfit that broke with Obst and operated from its own office in Washington.

The falling-out in the intervening time came over the way Obst had sold the My Lai stories. The suit, backed by Morrow, charged that Obst "violated his fiduciary obligation" to his former colleagues.

In short, the issue is money. Dispatch News Service International is seeking more than \$100,000 from Obst plus an injunction preventing him from using the Dispatch name or anything like it.

The problem, said Obst yesterday, has been a "sad breakdown in communications." Allan Mendelsohn, lawyer for Morrow and his friends, said the suit was filed reluctantly after prolonged efforts to resolve the differences privately.

The story as told by the two sides is complex.

Dispatch was incorporated in the Philippines in September, 1968, by Morrow and others who were anxious to write about the people of Vietnam rather than the soldiers and politicians.

Obst, then a graduate stu-

dent in Asian studies at the University of California, joined Dispatch soon thereafter in Taiwan. On his return to the United States, he began to sell the agency's limited news service.

According to the suit, he was to receive 25 per cent of the selling price of the stories and, after a year, 25 shares of stock in the corporation. A letter dated April 23, 1969, confirmed the deal.

Business was slack. The Dispatch men in Asia were getting their stories in a few West Coast newspapers, the National Catholic Reporter and some college newspapers. Then Obst moved to Washington.

In Cleveland Park, Obst's neighbor was Seymour Hersh, then a free-lancer. Hersh came upon the My Lai story and asked Obst to help him sell it. In 24 hours he sold the first story to 36 newspapers at \$100 each.

In a matter of days Dispatch and Hersh were a hot property, equipped with a prestigious Washington law firm to advise

them. Obst flew Morrow to Washington and, according to Obst, persuaded his friend that Dispatch should be reincorporated.

There is no question that Dispatch was reborn, or at least reorganized in those hectic days. Articles of incorporation were signed with Morrow's name on them. But, Mendelsohn said yesterday, Morrow received no money.

The rest of the story is contested. Obst now claims a successful operation on his own. Since his capture in Cambodia, Morrow has revitalized the agency in Saigon. The casual alliance between the men is no more.